

**ADMINISTRATIVE BURDENS REDUCTION PROJECT: AGREEMENT OF TARGET****Executive Summary**

1. The provision of information by businesses in regulated areas provides assurance that enforcement and related activities are effective in delivering compliance. It is therefore legitimate for the Food Standards Agency to require some such information from businesses. However, we recognise that providing this information is an administrative burden on business. If we were able to reduce this burden – asking for this information only when necessary – we could increase the capacity of the businesses that provide this information, and the enforcement officers who check it, to focus on compliance and improved consumer protection.
2. The Better Regulation Task Force recommended in 2005 that the Government should measure the information obligations<sup>1</sup> that impose administrative burdens on business, charities and the voluntary sector with a view then to setting a target for reducing those burdens.
3. Given its commitment to better regulation, the FSA agreed that it should participate in the exercise to measure the administrative burden of regulations for business. The findings of this measurement exercise were that, as at May 2005, the total administrative burden from FSA regulations was estimated to be £128 million. Using a methodology adopted across Government, we further estimated that £42 million of these costs represented “business as usual”, that is costs related to activities that businesses would undertake regardless of regulation. The net estimated cost of the administrative burdens of food regulation on business, as at May 2005, was therefore £86 million.
4. This £86 million baseline figure comprises:
  - £38.6 million Category A costs (requirements of EU or international law over which member states have little or no discretion)
  - £45.0 million Category B costs (requirements of EU or international law over which members states have some discretion)
  - £ 2.4 million Category C costs (requirements of domestic regulations).
5. The Chancellor of the Duchy of Lancaster wrote to the FSA Chair, asking that the Board discuss and agree a target for a net reduction in administrative burdens, to

<sup>1</sup> A duty to procure or prepare information and subsequently make it available to a public authority, as well as a duty to facilitate the collection or preparation of information by others, eg. by permitting and co-operating with an audit, visit or inspection. It includes regular requirements to read guidance on an information obligation and updated rules. A business cannot decline without coming into conflict with the law or being ineligible for continued funding, grants and other applied-for schemes.

be achieved by April 2010. The Minister proposes a 25% reduction, which would be in line with the target proposed for other Government departments. The Minister also proposes that Category A costs should be excluded for now. The Executive believes that this target would be challenging, but achievable, and recommends its adoption. If the Board accepts this recommendation, the FSA would have a target of reducing the net administrative burden of food regulation by £11.9 million by April 2010.

6. Every regulatory department is further requested to produce an action plan detailing how it intends to achieve the target. This paper outlines how we propose to support delivery of an administrative burden reduction target.

7. The Board is now asked to:

- **note** the results of the administrative burdens measurement exercise;
- **discuss** and **agree** the recommendation from the Executive that the FSA should set a target of reducing the net administrative burden of food regulation by 25% by April 2010;
- **agree** that the Chair should respond to the Chancellor of the Duchy of Lancaster accordingly, and should publish this response;
- **discuss** and **agree** the proposed action plan, and that it should be published.

#### **STRATEGY, REGULATION & INTERNATIONAL DIVISION**

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**ADMINISTRATIVE BURDENS REDUCTION PROJECT: AGREEMENT OF TARGET****Issue**

1. The provision of information by businesses in regulated areas provides assurance that enforcement and related activities are effective in delivering compliance. It is therefore legitimate for the Food Standards Agency to require some such information from businesses. However, we recognise that providing this information is an administrative burden on business. If we were able to reduce this burden – asking for this information only when necessary – we could increase the capacity of the businesses that provide this information, and the enforcement officers who check it, to focus on compliance and improved consumer protection.
2. We have always been aware of the need to consider the effect of regulations on business. One of the first studies that the FSA commissioned aimed to gauge the burden of food regulation on small food businesses<sup>2</sup>. This found that the existing framework of food law did not place a particularly onerous burden on them. We have also taken action to reduce burdens in some areas – for example the Specialist Cheesemakers' Initiative very successfully assisted this sector in the proportionate implementation of food safety management.<sup>3</sup>
3. This paper proposes that the FSA formally sets a target for further reductions of administrative burdens, and sets out a high-level action plan to support delivery against such a target.

**Strategic Aims**

4. The objective of the FSA is to maintain and improve consumer protection, and in doing so we seek to follow the principles of better regulation.

***The Administrative Burdens Measurement Exercise***

5. The Better Regulation Task Force recommended in 2005 that the Government should measure the information obligations that impose administrative burdens of regulation on business, charities and the voluntary sector, with a view then to setting a target for reducing those burdens. Cabinet Office, with PriceWaterhouseCoopers (PwC), co-ordinated a cross-Government project to measure and establish a baseline for the administrative burdens all regulations impose on UK business. The measurement exercise was based on the

<sup>2</sup> <http://www.food.gov.uk/multimedia/pdfs/taskrep.pdf>

<sup>3</sup> <http://www.food.gov.uk/multimedia/pdfs/scifinalreport.pdf>

application of the Standard Cost Model<sup>4</sup> originally developed in the Netherlands and also previously used in Denmark. The methodology of the exercise is explained in detail in a technical summary, which is available at <http://www.food.gov.uk/multimedia/pdfs/abmetechsum.pdf>

6. Given its commitment to better regulation, the FSA agreed that it should participate in the exercise to measure the administrative burden of regulations for business. The FSA received the final report<sup>5</sup> of this measurement exercise on 2 June 2006., and the Chair signed off the report on 6 July 2006. The report was distributed to Board members on 11 August 2006.
7. The findings of this measurement exercise were that, as at May 2005, the total administrative burden from FSA regulations was estimated to be £128 million. Using a methodology adopted across Government, we further estimated that £42 million of these costs represented “business as usual”, that is costs related to activities that businesses would undertake regardless of regulation. The net estimated cost of the administrative burdens of food regulation on business, as at May 2005, was therefore £86 million.
8. The FSA baseline figure is made up as follows:

	<b>£ million</b>			
	<b>Category A<sup>6</sup></b>	<b>Category B<sup>7</sup></b>	<b>Category C<sup>8</sup></b>	<b>Total</b>
Non-Third Party	21.8	31.1	1.2	54.4
Third Party <sup>9</sup>	16.7	13.7	1.1	31.6
<b>Total</b>	<b>38.6</b>	<b>45.0</b>	<b>2.4</b>	<b>86.0</b>

9. The measurement exercise found that of the 53 FSA regulations measured, the following seven regulations account for around 91% of the FSA’s total administrative burden:
  - Regulation (EC) No.178/2002 of the European Parliament and the Council
  - Dairy Products (Hygiene) Regulations 1995<sup>10</sup>
  - Meat Products (England) Regulations 2003

<sup>4</sup> The report acknowledges that the estimates of administrative costs from the measurement exercise are indicative and are not statistically representative:

*“The Standard Cost Measurement adopts a pragmatic approach to provide a reasonably consistent estimate of the administrative costs on business arising from regulation.”*

<sup>5</sup> <http://www.food.gov.uk/multimedia/pdfs/abmefinrep.pdf>

<sup>6</sup> Obligations which are exclusively a result of EU rules, and the UK has no discretion in implementation

<sup>7</sup> Obligations where the purpose is formulated at EU level but implementation has been left to the UK

<sup>8</sup> Obligations of domestic origin

<sup>9</sup> Third party refers to another person/s or organisation that is not a public sector body, such as parents, employees, consumers and stakeholders. Even where an information obligation does not specify a third party but stipulates the requirement for protocols/guidance etc to be in place, it can be interpreted that the obligation is owed to a third party.

<sup>10</sup> Revoked and replaced by new EU food hygiene regulations which came into effect from 1 January 2006

- Fresh Meat (Hygiene and Inspection) Regulations 1995<sup>10</sup>
- Meat Products (Hygiene) Regulations 1994<sup>10</sup>
- Feeding Stuffs Regulations 2000
- Food Labelling Regulations 1996.

10. The top three types of information obligation (by cost) are: keeping records; statutory labelling for third parties; and returns and reports. The top three types of administrative activity (by cost) are: gathering and assessing relevant information; familiarisation with regulatory requirements; and reporting (including writing descriptions, copying, filing).

11. An additional 12 regulations were identified too late to be included in the measurement exercise (listed at **Annex A**). The information obligations that they contain will be estimated and added to the baseline (see paragraph 24).

### ***Setting a Target for Reducing Administrative Burdens***

12. Hilary Armstrong, the Chancellor of the Duchy of Lancaster, wrote to the FSA Chair on 24 July 2006 (see **Annex B**), asking that the Board discuss and agree a target for net reduction of administrative burdens, to be achieved by April 2010. The Minister proposed a 25% reduction, which would be in line with that proposed for other Government departments (except Her Majesty's Revenue & Customs, whose administrative burden reduction targets were announced in the 2006 Budget<sup>11</sup>). The Dutch parliament have also set a national target of 25% administrative burden reduction, having found that an initial target of 10% was achieved quickly and was not sufficiently challenging – the Danes had also set themselves a target of 25%.

13. The Minister acknowledges that FSA officials had expressed concerns about inclusion of third party costs related to food labelling in the baseline. The FSA argued that these are policy costs. However, the Minister makes the point that to exclude third party costs would undermine public credibility in the exercise across Government, not least because third party costs form around half of the overall UK baseline, and were included by the Dutch and the Danes in their national targets. Third party costs have therefore stayed in the baseline of all Government departments.

14. The Minister did however acknowledge the strong reservations of the FSA regarding the inclusion in the baseline of costs derived direct from EU regulations. In particular, the Minister recognises that tackling Category A costs will involve long and complex negotiations in Brussels. In view of the high

<sup>11</sup> [http://www.hm-treasury.gov.uk/media/20E/EA/bud06\\_ch3\\_192.pdf](http://www.hm-treasury.gov.uk/media/20E/EA/bud06_ch3_192.pdf)

proportion of the FSA burden that derives from Category A costs, and the fact that the European Council has asked the European Commission to produce a plan by spring 2007 to deliver 25% reductions in administrative burdens, the Minister suggests that Category A costs should be excluded from the baseline – and thence from any reduction target – at present, but revisited once the European Commission has published its plans. However, the Minister also makes clear that it is for the FSA to decide whether its target should include Category A costs.

15. The arguments in favour of setting a target now that excludes Category A costs are that:

- FSA would be able to wait for clear evidence of the Commission's commitment to reduce administrative burdens when its reduction programme is published. The commitment is very significant for the FSA, because of the high proportion of Category A costs (45% of the post-BAU baseline). At the very least we would need to know whether the Commission intends to reduce the administrative burden only of future proposals, or to look also at existing legislation. The FSA might otherwise waste resources by duplicating at national level that action that the European Commission might propose at EU level;
- the reduction of information obligations in each of the three Categories will need different approaches. It would be more practical for FSA policy officials to progress reduction in two Categories at first and to take on the third, more challenging EU-prescribed Category A later, in the light of experiences gained in dealing with Categories B and C;
- deferring action on EU-derived information obligations would be in line with stakeholders' expectations. It would not be helpful to set a target of 25% net reduction of all three Categories of information obligations unless we were confident of support from European partners, and concrete evidence of this may not appear until publication of the Commission's reduction plan.

Of course, there is nothing to stop policy officials taking action to reduce Category A costs, where possible, in the meantime.

16. The disadvantage of such a course of action is that the Board would need to reconsider the issue and make a further decision regarding a target for Category A burdens in due course.

17. Exclusion of Category A burdens, and applying a target of 25%, would result in the FSA setting a target of reducing the net administrative burden of food regulation by £11.9 million by April 2010. The Executive believes that, although such a target would be ambitious and challenging for the organisation, it is

achievable provided we are able to mobilise an appropriate approach by policy officials and independent input from businesses.

18. Notwithstanding the setting of a target, the FSA's primary objective remains the protection of public health and consumers' other interests in relation to food and drink. The Executive therefore proposes that it should report regularly to the Board on progress towards any target set for administrative burden reduction, and in particular should alert the board if at any time it believes that the administrative burden reduction target could only be met by compromising public health protection.

**The Executive recommends that the FSA should set itself the target of reducing the net administrative burden of food regulation by £11.9 million by April 2010 (i.e. a reduction of 25% against the May 2005 baseline figure, excluding Category A costs). Does the Board agree?**

### ***An Action Plan to Support Delivery of a Reduction in Administrative Burdens***

19. In addition to setting a target for administrative burdens reduction, each regulatory department has been asked to produce an action plan to support delivery of the target.
20. In order to manage the reduction programme, we propose to set up and service an internal Project Board, chaired at Head of Division level, with representation from policy divisions, together with legal and economics expertise. The Project Board will make tactical and operational decisions, monitor progress, and ensure that regular reports on progress are provided to the FSA Board. We will establish a simple and proportionate means of tracking our progress and trajectory towards the administrative burdens reduction target.
21. We understand that in order to maintain credibility with our stakeholders, and in order to provide external challenge, we will need to set up a means of engaging stakeholders with the administrative burdens reduction project. The FSA set up a Monitoring Group, with members from a consumer organisation, an enforcement body and a food trade association, to provide such a challenge function during the administrative burdens measurement exercise. The Executive proposes that the Monitoring Group continue to exercise its challenge function during the reduction programme and provide independent scrutiny of our work.
22. This paper outlines our initial thinking on the actions needed to achieve the target. The work falls broadly into two parallel workstreams:
- internal measures to raise FSA policy colleagues' awareness of the need to reduce administrative burdens of existing legislation and minimise the burden of new legislation, with relevant training; and

- measures to reduce specific burdens of existing and new measures.

### ***Internal Measures to bring Policy Colleagues Onside***

23. We propose to:

- hold seminars to press home key high-level messages and start to bring about the necessary change of approach, such as the need always to consider minimising the administrative burden of proposed new measures (comparable to the need to bear in mind consumer protection and sustainability issues);
- provide training for policy colleagues on the new Impact Assessments which will require separate consideration of administrative and policy burdens;
- work with policy colleagues to devise their own plans to reduce the administrative burden of their own regulations.

### ***Measures to Reduce Existing and Future Burdens***

24. We propose to:

- work to reduce the cost of the information obligations identified in the measurement exercise;
- estimate the cost of the information obligations in the 12 additional regulations, with validation from business stakeholders, and incorporate this into the baseline;
- identify the information obligations that have been retained in the EU food hygiene regulations. (The hygiene regulations introduced on 1 January 2006 revoked a number of regulations measured during the PwC exercise, as listed in **Annex C**);
- identify, and estimate the administrative burden imposed by, information obligations in legislation introduced since May 2005.

25. A high-level action plan with suggested timescales is at **Annex D**.

26. At a recent international seminar, both the Dutch and the Danes said that the majority of their administrative burden savings came in the last year of the reduction exercise. We intend further exchanges with counterparts in the Netherlands and Denmark to compare in more detail their experience of the reduction programme.

## **Risk**

27. Risks to achieving the reduction target, and proposed mitigating measures are in the table below:

<b>No</b>	<b>Description of risk</b>	<b>Possible consequences</b>	<b>Likelihood (H/M/L)</b>	<b>Impact (H/M/L)</b>	<b>Risk (H/M/L)</b>	<b>Actions/Contingencies</b>
1	Failure to dedicate sufficient resources to project	Deadlines in all/some areas missed	H	H	H	<ul style="list-style-type: none"> <li>The Project Board to ensure resource is sufficient</li> </ul>
2	Prescriptive EU proposals with significant Category A costs	Increase in baseline	H	H	H	<ul style="list-style-type: none"> <li>Work with EU-facing colleagues from FSA/other departments and EU partners to ensure reduction of administrative burdens is prioritised in the EU</li> </ul>
3	Policy officials not sufficiently aware, or not persuaded, of the need to minimise administrative burdens in existing and new legislation	Policy project plans not developed; burdens not identified.	M	H	H	<ul style="list-style-type: none"> <li>Include reduction target as an objective in corporate plan</li> <li>Hold seminars and workshops to raise awareness</li> <li>FSA closely to monitor its Regulatory Impact Assessments to ensure that they address administrative burdens reduction</li> </ul>
4	Insufficient support from stakeholders to ensure credibility of process and results	Lack of buy-in from stakeholders and negative publicity undermining project.	M	H	H	<ul style="list-style-type: none"> <li>Develop external communications strategy.</li> <li>Monitoring Group to continue</li> <li>Identify good stories from stakeholders.</li> <li>Look for quick wins</li> <li>Look at business irritants</li> </ul>
5	Insufficient support from central Government	FSA wastes resources in inappropriate activity	M	M	M	<ul style="list-style-type: none"> <li>FSA to liaise closely with central Government at all levels</li> <li>FSA to provide regular performance assessments to central Government, ensuring recognition as a key player in administrative burdens reduction</li> </ul>

## **Board Action Required**

28. The Board is now asked to:

- **note** the results of the administrative burdens measurement exercise;
- **discuss** and **agree** the recommendation from the Executive that the FSA should set a target of reducing the net administrative burden of food regulation by 25% by April 2010;
- **agree** that the Chair should respond to the Chancellor of the Duchy of Lancaster accordingly, and should publish this response;
- **discuss** and **agree** the proposed action plan, and that it should be published.

## ADDITIONAL FSA REGULATIONS

	<b>Regulation title</b>
1.	<b>Council Regulation EEC 737/90</b> on the conditions governing imports of agricultural products originating in third countries following the accident at the Chernobyl nuclear power station
2.	<b>Commission Regulation EC 1661/1999</b> of 27 July 1999 laying down detailed rules for the application of Council Regulation (EEC) No 737/90 on the conditions governing imports of agricultural products originating in third countries following the accident at the Chernobyl nuclear power-station
3.	<b>Council Regulation 1898/87</b> on the protection of designations used in the marketing of milk and milk products (as amended)
4.	<b>Council Regulation 2991/94</b> laying down standards for spreadable fats (as amended).
5.	<b>Council Regulation (EC) No 104/2000</b> on the common organisation of the markets in fishery and aquaculture products
6.	<b>Commission Regulation (EC) No 2065/2001</b> laying down detailed rules for the application of Council Regulation (EC) No 104/2000 as regards informing consumer about fishery and aquaculture products.
7.	<b>Commission Decision 2003/493/EC</b> of 4 July 2003 imposing special conditions on the import of Brazil nuts in shell originating in or consigned from Brazil as amended by Commission Decision 2004/428/EC
8.	<b>Commission Decision 2002/79/EC</b> of 4 February 2002 imposing special conditions on the import of peanuts and certain products derived from peanuts originating in or consigned from China as amended by Commission Decisions 2002/233/EC, 2002/678/EC, 2003/550/EC and 2004 429/EC
9.	<b>Commission Decision 2002/80/EC</b> of 4 February 2002 imposing special conditions on the import of figs, hazelnuts and pistachios and certain products derived thereof originating in or consigned from Turkey, as amended by Commission Decisions 2002/233/EC, 2002/679/EC, 2003/552/EC and 2004/429/EC
10.	<b>Commission Decision 97/830/EC</b> imposing special conditions on the import of pistachios and certain products derived from pistachios originating in or consigned from Iran
11.	<b>Commission Decision 2000/49/EC</b> of 6 December 1999 repealing Decision 1999/356/EC and imposing special conditions on the import of peanuts and certain products derived from peanuts originating in or consigned from Egypt, as amended by Commission Decisions 2003/580/EC and 2004/429/EC
12.	<b>The Food (Lot Marking) Regulations 1996</b> requiring that food which has been produced, prepared or packaged as part of a lot is marked or labelled to enable the lot to be identified

## CabinetOffice



### The Rt Hon Hilary Armstrong MP

The Minister for the Cabinet Office and Social Exclusion  
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Dame Deirdre Hutton CBE  
Chair  
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Aviation House  
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24 July 2006

*Dear Dame Deirdre*

### **BETTER REGULATION: TARGETS FOR REDUCING ADMINISTRATIVE BURDENS**

As you know, the Government announced in Budget 2005 that we would follow the example of the Netherlands and measure the administrative burden of regulation for the business and third sectors and set stretching targets for reducing these costs.

We are committed to announcing targets for departments and other key organisations alongside the publication of simplification plans by the Pre-Budget Report this year. We envisage that these departments and organisations would release their detailed administrative burden measurement data at the same time.

Officials in the Better Regulation Executive (BRE) have been working with colleagues in the Food Standards Agency to co-ordinate the measurement exercise which was carried out by Price Waterhouse Coopers on behalf of Government. They have also been working to agree targets.

Officials across Whitehall and beyond have worked extremely hard over the last year on better regulation – in particular, on the administrative burden measurement exercise. I am extremely grateful to everyone who has contributed to this mammoth exercise. It has provided us with a previously unparalleled understanding of the administrative burdens created by each of our regulations.



INVEST FOR IN PEOPLE

This letter formally proposes targets for the Food Standards Agency for consideration at your Board meeting in September, and also the process by which progress against targets will be measured.

As you know, a number of European countries have already adopted net targets to reduce administrative burdens by 25%. The Dutch are the most advanced in this area, and they remain confident that they will deliver their promised reduction. Last month's European Council concluded that the Commission should also set a similar target. Hence, there is a strong expectation in the business community and third sector that we will set an equally challenging target.

In this context, I think it essential that we deliver a reduction of a quarter across policy areas and hence, our officials have been discussing a net target of 25% by 2010 for the Food Standards Agency. The measurement exercise in the UK followed closely the methodology developed by the Dutch, which included information obligations to third parties as well as those to the state. It also measured costs which arise from the EU and other international sources, although it allows us to distinguish those over which member states have little discretion ("Category A" costs) from those over which there is some discretion ("Category B" costs). Costs arising from purely domestic regulation are termed "Category C".

In the UK, we have responded to a number of departments and organisations which asked us to adjust our numbers to exclude those costs which represent "business as usual" – i.e. costs which businesses or third sector organisations would incur anyway. The BRE convened a panel of business and third sector experts to help make the adjustment, which reduced the government-wide measured baseline by about 45%.

**Against this background, I propose that the Food Standards Agency should adopt a net target to reduce its administrative burdens by 25% in real terms by April 2010 measured against a May 2005 baseline including both third party and non-third party costs.**

I understand that while your officials have indicated to mine that they understand the drivers behind a 25% target, they have expressed concerns about the inclusion of third party costs related to food labelling on the basis that these were policy costs.

I believe that excluding third party costs from the baseline would undermine our public credibility on this crucial agenda. Third party costs form around half of our overall baseline, and were included in both the Netherlands and Denmark in their targets.

Our baseline has already come down by almost half compared with the Netherlands and Denmark through our business as usual adjustment. Although business and third sector stakeholders were involved in that adjustment process and support its rationale they have underlined that they now expect stretching targets to be set on the rest of our baseline. The Better Regulation Commission echoes this point and has noted that our international credibility is at risk if we opt for a lower domestic target by excluding third party costs.

I also believe that making a specific exemption for food labelling would damage the credibility of our approach to targets. We need to bear down, through good policy design, on administrative costs even in those policy areas that are a high political priority, recognising that what matters are the policy outcomes and we should be challenging of the costs associated with their delivery. I know that this is an area where you are working hard on simplification. Neither my officials in the BRE nor I, have seen evidence which demonstrates that a target which includes these costs would be undeliverable. I accept that a 25% saving will not be possible across every individual programme within departments or independent regulators, but would nonetheless like to see a 25% reduction across your portfolio of administrative burdens. Nonetheless if specific policy areas do present an issue after every effort has been made to keep admin burdens to a minimum, there will be an opportunity to revisit this in the review I propose below.

The table below summarises the baseline data for your department.

Administrative burdens baseline data – after business as usual adjustment

**Food Standards Agency**

**May 2005 (£ million)**

	Category A	Category B	Category C	Total
Non-Third Party	21.8	31.3	1.2	54.4
Third Party	16.7	13.7	1.1	31.6
<b>Total</b>	<b>38.6</b>	<b>45.0</b>	<b>2.4</b>	<b>86.0</b>

I recognise that tackling Category A costs can involve lengthy and complex negotiations in Brussels. I am also conscious that the European Council has asked the European Commission to come forward in Spring 2007 with a programme to deliver 25% reductions in administrative burdens.

I therefore propose that at this stage we should set a reduction target of 25% against your total Category B and Category C baseline (i.e. £47.4 million) – and that a net reduction of Category B and Category C burdens of £11.9 million should be achieved by April 2010.

In parallel, we should announce that our intention is to reduce Category A burdens by 25% in line with the European Council's ambition and that we will set targets and timelines for Category A burdens once the European Council has approved the Commission's 25% reduction plan. In the meanwhile the UK will be working with our European partners to ensure that these reductions are delivered as quickly as possible.

If, in your particular circumstances, you would prefer now to set a target for achieving net savings of 25% by April 2010 against the whole of your baseline (ie a net reduction of £21.5 million) thus avoiding the need for a subsequent Category A target, I would be happy to agree.

Departments should, of course, continue to include any proposals relating to Category A burdens in their simplification plans where reductions are possible.

I propose that we should have an internal Whitehall review of targets in Spring 2008. International experience is that the more departments and other key organisations become familiar with the administrative burdens data, the more opportunities open up for simplification. At the same time this will provide us with an opportunity to review whether the burdens associated with specific manifesto commitments, which in a number of cases are still to be quantified, require us to adjust targets between departments and organisations.

Rather than repeat regularly the measurement exercise we have carried out this year, we intend to use data from Regulatory Impact Assessments to monitor progress against the targets. As you know, I propose that the new Impact Assessments should set out clearly the administrative costs (and savings) associated with changes to policy or enforcement practice. I believe this increased transparency will lead to better external scrutiny of Impact Assessments. It is essential that estimates of changes to administrative burdens which contribute towards delivery of the target are based on robust evidence and analysis, and seen to be credible by external stakeholders. The BRE is currently considering mechanisms for "arbitration" where departments and external stakeholders disagree about the real changes to administrative costs resulting from a change to policy or enforcement practice.

I know that the Food Standards Agency has been discussing its emerging simplification plan with the BRE. All plans will be considered by the Panel for Regulatory Accountability, and we are committed to seeking an opinion from the Better Regulation Commission (BRC) on plans at least three weeks before publication. The BRC will publish its opinion once plans are published. Given the number of plans which need to be published, and uncertainty about the date of the Pre-Budget report, it will be very important to make rapid progress on further strengthening plans. PRA will be meeting fortnightly from September to consider simplification plans and my office will be in touch with yours to confirm the date at which a near-final draft should be submitted.

The BRE (together with the BRC) has produced guidance which sets out the key aspects of a strong simplification plan. Plans will need to reflect any increases or reductions in administrative burdens since May 2005 and the BRE will be happy to offer guidance and support in estimating these changes. This year's plans should include measures to deliver 60% of the required administrative burden reduction and also tackle key business irritants. While the targets only apply to administrative costs, the simplification plan needs to cover policy costs too..

Simplification plans will need to be updated an annual basis. Future plans will also need to be considered by PRA. In future years, plans should set out the savings which have been realised to date, as well as those planned for future years. This will allow us to announce annually how much progress we have made against the targets.

Delivering real improvement in regulation for the business community and the third sector is essential to our credibility. By setting stretching targets for reducing administrative burdens, we will be taking a strong step to demonstrate our commitment in this area.

I am copying this letter to the Prime Minister, to Caroline Flint, to John Harwood and to William Sargent in the BRE.

*Yours sincerely  
Hilary Armstrong*

**HILARY ARMSTRONG**

**THE FSA REGULATIONS INCLUDED IN THE MEASUREMENT EXERCISE THAT WERE REVOKED AS A RESULT OF THE EU FOOD HYGIENE LEGISLATION ON 1 JANUARY 2006**

<b>Regulation Title</b>
Food Premises (Registration) Regulations 1991 (as amended)
Egg Products Regulations 1993
Meat Products (Hygiene) Regulations 1994
Fresh Meat (Hygiene and Inspection) Regulations 1995
Poultry Meat, Farmed Game Bird Meat and Rabbit Meat (Hygiene and Inspection) Regulations 1995
Minced Meat and Meat Preparations (Hygiene) Regulations 1995
Ice-Cream (Heat Treatment, etc.) Regulations 1959
Dairy Products (Hygiene) Regulations 1995
Food Safety (General Food Hygiene) Regulations 1995
Wild Game Meat (Hygiene and Inspection) Regulations 1995
Food Safety (Fishery Products and Live Shellfish) (Hygiene) Regulations 1998
Gelatine (Intra- Community Trade (England) Regulations
Collagen and Gelatine (Intra-Community Trade) (England) (No. 2) Regulations 2003
Meat (Hygiene and Inspection)(Charges) Regulations 1998

## HIGH LEVEL ACTION PLAN FOR ADMINISTRATIVE BURDEN REDUCTION

<b>Action</b>	<b>Timescale</b>
Hold internal seminars to press home key high-level messages	Early October 2006
Training for FSA policy colleagues on the new Impact Assessments	End-October and ongoing
Work with FSA policy colleagues to devise their own plans to reduce the administrative burden of their own regulations	Immediate and ongoing
Estimate the cost of the IOs in the additional regulations	December 2006
Identify the cost of IOs that have been retained in the EU food hygiene regulations.	December 2006
Identify the IOs in legislation introduced since May 2005	February 2006 and ongoing
Formal internal review of progress	May 2007
Monitoring progress in meeting target	Ongoing